

INDIRA AWAAS YOJANA

1. Introduction

Indira Awaas Yojana (IAY) was launched during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme (RLEGP) and continued as a sub-scheme of Jawahar Rozgar Yojana (JRY) since its launching from April, 1989. It has been delinked from the JRY and has been made an independent scheme with effect from January 1, 1996.

2. Objective

The objective of IAY is primarily to provide grant for construction of houses to members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and also to non-SC/ST rural poor below the poverty line.

3. Target Group

The target group for houses under IAY will be people below poverty line living in rural areas belonging to Scheduled Castes/Scheduled Tribes, freed bonded labourers and non-SC/ST subject to the condition that the benefits to non-SC/ST should not exceed 40% of total IAY allocation during a financial year.

From 1995-96, the IAY benefits have been extended to ex-servicemen, widows or next-of-kin of defence personnel and para military forces killed in action irrespective of the income criteria subject to the condition that (i) they reside in rural areas; (ii) they have not been covered under any other scheme of shelter rehabilitation; and (iii) they are houseless or in need of shelter or shelter upgradation. Priority be given to other ex-servicemen and retired members of the paramilitary forces as long as they fulfill the normal eligibility conditions of the Indira Awaas Yojana and have not been covered under any other shelter rehabilitation scheme. The priority in the matter of allotment of houses to the ex-servicemen and paramilitary forces and their dependents will be out of 40% of the houses set apart for allotment among the non-SC/ST categories of beneficiaries.

3% of the funds have been earmarked for the benefit of disabled persons below poverty line. This reservation of 3% under IAY for disabled persons below the poverty line would be horizontal reservation i.e., disabled persons belonging to sections like SCs, STs and Others would fall in their respective categories.

4. Identification of beneficiaries

District Rural Development Agencies (DRDAs) / Zilla Parishads on the basis of allocations made and targets fixed shall decide Panchayat-wise number of houses to be constructed under IAY, during a particular financial year and intimate the same to the Gram Panchayat. Thereafter, the Gram Sabha will select the beneficiaries restricting its number to the target allotted, from the list of eligible households, according to IAY guidelines and as per priorities fixed. No approval of the Panchayat Samiti will be required. The Panchayat Samiti should however, be sent a list of selected beneficiaries for their information. This amendment in the IAY guidelines shall come into force with effect from 1-4-1998.

5. Priority in Selection of Beneficiaries

The order of priority for selection of beneficiaries amongst target group below poverty line is as follows:

- (i) Freed bonded labourers
- (ii) SC/ST households who are victims of atrocities
- (iii) SC/ST households, headed by widows and unmarried women.
- (iv) SC/ST households affected by flood, fire, earthquake, cyclone and similar natural calamities.
- (v) Other SC/ST households.
- (vi) Non- SC/ST households.
- (vii) Physically handicapped.
- (viii) Families/widows of personnel of defence services / para-military forces, killed in action.
- (ix) Displaced persons on account of developmental projects, nomadic semi-nomadic and de-notified tribals, families with disabled members and internal refugees, subject to the households being below poverty line.

6. Allotment of Houses

Allotment of houses should be in the name of female member of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife.

7. Location of IAY houses

The houses under IAY should normally be built on individual plots in the main habitation of the village. The houses can also be built on micro habitat approach or in a cluster within a habitation, so as to facilitate the development of infrastructure, such as, internal roads, drainage, drinking water supply etc. and other common facilities. Care should always be taken to see that the houses under IAY are located close to the village and not far away so as to ensure safety and security, nearness to work place and social communication.

8. Upper limit for construction assistance

At present, upper limit of construction assistance under IAY is as given below:

	Plain areas	Hilly/Difficult areas
Construction of house including sanitary latrine and smokeless chulha	Rs.17,500	Rs. 19,500
Cost of providing infrastructure and common facilities	Rs. 2,500	Rs. 2,500
Total:	Rs.20,000	Rs. 22,000

In case the houses are not built in cluster/micro-habitat approach, Rs. 2,500/- provided for infrastructure and common facilities should be given to the beneficiary for construction of the house. These limits are subject to revision from time to time by the Government of India.

9. Involvement of beneficiaries

The construction of the houses should be done by the beneficiaries themselves from the very beginning. The beneficiaries may make their own arrangement for the construction, engage skilled workmen on their own and also contribute family labour. The beneficiaries will have complete freedom as to the manner of construction of the house which is their own. This will result in economy in cost, ensure quality of construction, lead to satisfaction on the part of beneficiaries and acceptance of the house. The responsibility for the proper construction of the house will thus be on the beneficiaries themselves. A Committee of the beneficiaries may be formed to coordinate the work.

10. Ban on contractors or departmental construction

No contractor is allowed in the construction of IAY houses. If any case of construction through contractors comes to notice, Government of India will have a right to recover the allocation made to the State for those IAY houses. The house should not also be constructed by any Government department. Government departments or organisations can, however, give technical assistance or arrange for coordinated supply of raw materials such as cement, steel or bricks if the beneficiaries so desire. The spirit of the IAY is that the house is not to be constructed and delivered by any external agency; on the other hand, the house is to be constructed by the ultimate occupier of the house.

11. Appropriate Construction Technology and local materials

While fixing technical specifications, effort should be made to utilize, to the maximum possible extent, local materials and cost effective technologies developed by various institutions. The implementing agency should contact various organizations/institutions for seeking expertise and information on innovative technologies, materials, designs and methods to help beneficiaries in the construction of durable and economical houses. The State Governments may also arrange to make available information on cost effective environment friendly technologies, materials, designs, etc. at block/district level. Technology using bricks, cement and steel on large scale should be discouraged. As far as possible, cement should be substituted by lime and lime *surkhi* manufactured locally. Bricks manufactured by beneficiaries themselves instead of its purchase may also be undertaken for reduction of cost and better wage employment.

12. Type Design

12.1 The layout, size and type design of IAY houses should depend on the local conditions. Hence, no type design should be prescribed for IAY house except that the plinth area of the houses should be around 20 sq. mts.

12.2 The houses should be designed in accordance with the desire of the beneficiaries keeping in view the climatic conditions and the need to provide proper space, kitchen, ventilation, sanitary facilities, smokeless *chullah*, etc. and the community perceptions, preferences and cultural attitude. No type design should be imposed on the beneficiary.

12.3 The barrier free concept may be incorporated in the construction of houses meant for the disabled person with a view to facilitate his smooth and free movement in the house.

However, as far as possible, the design of the house should conform to the occupational requirements of the beneficiary.

12.4 In areas frequented by natural calamities such as fire, flood, cyclones, earthquakes, etc., incorporation of disaster resistant features in the design should be encouraged.

13. Fuel Efficient Chullahs

Fuel efficient *chullahs* have been developed and are being manufactured at several places. The Ministry of Non-conventional Energy Sources is encouraging installation of such *chullahs*. It should be ensured that every house constructed under IAY is provided with a fuel efficient *chullah*.

14. Drinking Water Supply

The availability of drinking water supply should be ensured by the agencies responsible for the implementation of the IAY. Where necessary, a hand-pump should be installed on the site before the work is started, from the funds available under Rural Water Supply or other similar programmes.

15. Sanitation and Sanitary latrines

Construction of sanitary latrine forms an integral part of IAY houses. It has, however, been observed that in a large number of cases, either the sanitary latrines in these houses are not constructed or if constructed, these are not put to proper use by the beneficiaries. The Government of India attaches considerable importance to the construction of sanitary latrines as a sanitation measure and, therefore, sanitary latrines should invariably be taken up as part of the IAY houses. A system of drainage from the houses should also be provided to avoid overflow from the kitchen, bathroom etc.

16. Environmental Improvement and Social Forestry

Plantation of trees in the entire habitat or around the individual house should be taken up simultaneously. Trees may be planted near the housing clusters so that, in due course, enough trees are available nearby, to enable the beneficiaries to get fuel/fodder/small timber. Such plantations can be taken up under the social forestry Programme.

17. Involvement of Voluntary Organisations

Suitable local voluntary agencies with proven good track record wherever available should be associated with the construction of IAY houses. The supervision, guidance and the monitoring of construction can be entrusted to these voluntary organisations. In particular the voluntary agencies should be made use of to popularise the use of sanitary latrine and also in the construction of smokeless *chullahs*.

18. Inventory of Houses

The implementing agencies should have a complete inventory of houses constructed under IAY, giving details of the date of start of construction and the date of completion of houses, cost involved, number of houses allotted, names of the village and Block in which the houses

are located; name, address, occupation and category of beneficiaries and other relevant particulars.

19. Display of IAY Board and Logo

On completion of an IAY house, the DRDA concerned should ensure that for each house so constructed, a board is set up displaying clearly the house built under Indira Awaas Yojana and should indicate the IAY logo, name of the beneficiary and the year of construction.

20. Monitoring

Officers dealing with IAY at the State headquarters should visit districts regularly and ascertain through field visits whether the programme is being implemented satisfactorily and whether construction of houses is in accordance with the prescribed procedure. Likewise, officers at the district, sub-division and block levels must closely monitor all aspects of the IAY through visits to work sites in interior areas. A schedule of inspection which prescribes a minimum number of field visits for each supervisory level functionary from the State level to the block level should be drawn up and strictly adhered to.

The State Government should prescribe the periodical reports/returns through which it should monitor the performance of IAY in the districts and also get appropriate reports and returns prescribed, to be collected by the DRDA/ZPs, for proper monitoring of the IAY. The monitoring of the programme at the State level will be the responsibility of the State Level Coordination Committee for Rural Development Programmes. A representative or nominee of the Ministry of Rural Areas & Employment, Government of India should invariably be invited to participate in the meetings of the Committee.

The following reports and returns should be submitted to the Government of India by the State/UTs separately in respect of the IAY.

- (i) a monthly progress report to be furnished by Telex/Fax/E-mail/ NICNET in Proforma-I, by 10th of every succeeding month.
- (ii) A detailed Annual Progress Report to be submitted by 25th April of the succeeding year in Proforma. II.

21. Evaluation Studies

21.1 The States/UTs should conduct periodic evaluation studies on the implementation of the IAY.

21.2 Evaluation studies may be got conducted by reputed institutions and organisations on issues thrown up by the concurrent evaluation, meriting detailed studies by the States/UTs as well as the Government of India.

21.3 Copies of the reports of these evaluation studies conducted by the States/UTs should be furnished to the Government of India.

21.4 Remedial action should be taken by the States/UTs on the basis of the observations made in these evaluation studies and also in the concurrent evaluation conducted by or on behalf of Government of India.

22. Transparency in Implementation of IAY

It is of utmost importance that Centrally Sponsored Schemes are properly implemented and misutilization and other irregularities are minimized. For this, there is an urgent need to have greater transparency in the implementation of IAY at various levels. This would basically require that people should have access to information about implementation of these programmes in all their aspects. The disclosure of information should be the rule and withholding of information an exception.

List of items on which information should invariably be made available to people to bring about greater transparency at village, block and district level is given below. This list of items is illustrative and not exhaustive. The State Government may like to add any other item which they feel should be shared with the people. It would be useful if the information which is required to be given at village level is also available at one level above i.e., the block level. Similarly, the information which is required to be made available at block level should be available at district level also. This would facilitate in case they fail to get the same at the lower level. While some information may have to be supplied on demand, at the same time, it would be useful if some information is displayed in a suitable manner at different places to facilitate easy and quick access. Photo/authenticated copies of documents may also be supplied on payment.

VILLAGE LEVEL

- (i) List of people below poverty line in the village
- (ii) List of beneficiaries identified during preceding year and current year including details of SC/ST, women beneficiaries and disabled persons under IAY.
- (iii) Allocation made to the village under IAY.
- (iv) Guidelines of IAY/criteria of selecting beneficiaries.
- (v) Display of IAY sign board on the allotted houses.

BLOCK LEVEL

- (i) Details of houses taken up at Block Level with cost, sources of funds, implementing agency.
- (ii) Access to muster rolls.
- (iii) Distribution of funds village-wise for the scheme.
- (iv) Allocation/Availability of funds and progress in implementation of IAY.

DISTRICT LEVEL

- (i) Distribution of IAY funds block-wise/village-wise for the scheme.
- (ii) Criteria for distribution of funds to blocks/villages including norms for its selection under IAY.

23. Pattern of Funding

IAY is a Centrally Sponsored Scheme funded on cost-sharing basis between the Government of India and the States in the ratio of 80:20. In the case of Union Territories, the entire resources under this scheme are provided by the Government of India.

24. Criteria for Allocation of Resources

Central assistance under Indira Awaas Yojana will be allocated to the States/UTs on the basis of proportion of rural poor in a States/UTs to the total poor in the country. The poverty estimates prepared by the Planning Commission in this regard will be used for this purpose. The proportion of rural SC/ST population in a district to the total rural SC/ST population in the State/UT is the criteria of inter-district allocation of IAY funds within a State/UT. These allocation for every year will be decided by the Government of India on the basis of above criteria subject to availability of funds. Diversion of resources from one district to another will not be permissible.

25. Release of Central Assistance to DRDAs.

IAY funds are operated by the DRDAs /ZPs at the district level. Central assistance will be released every year to the DRDAs, in two installments, subject to the fulfillment of the following conditions:

(a) The first installment is released in the beginning of the financial year. This is subject to condition that the IInd Installment during previous year was claimed and released. However, if any specific conditions had been imposed at the time of release of the last installment of the previous year, its compliance will be ensured before release of the first installment.

(b) The second installment for the districts will be released on the request of the DRDAs in the prescribed proforma as per [Proforma. III](#) on fulfillment of the following conditions:

(i) The quantum of second installment will be dependent on the time of reporting of utilisation. Depending on the receipt of complete proposal for second installment, the quantum will be governed as follows:

Proposal received in:-

December - 50% of allocated funds

January - 40% of allocated funds

February - 30% of allocated funds

March - 20% of allocated funds

(ii) 60% of total available funds, that is, opening balance of the year plus the amount received including the State share should be been utilised at the time of applying for the second installment.

(iii) The opening balance in the district i.e. the aggregate of balance with DRDA should not exceed 25% of the district allocation during the previous year. In case the opening balance exceeds this limit, the Central share of the excess will be deducted at the time of release of second installment.

(iv) The State provision for the current year will have to be indicated by the DRDAs. The Central release will be restricted in proportion to the provision made to the DRDAs.

(v) The State Government should have released all its contribution (including those of previous year) due up to the date of the application for the second installment. In the event of shortfall in State share, corresponding amount of Central share (i.e., 4 times the State share) will be deducted from the second installment.

(vi) Submission of Audit Reports of the DRDA for the previous year.

(vii) Submission of Utilisation Certificates from the DRDA for the previous year in the prescribed **Proforma IV** which is Annexed.

(viii) Annual Plan should have been approved by the Governing Body of the DRDA.

(ix) All progress/Monitoring Reports have been sent.

(x) Non-embezzlement certificate will be submitted.

(xi) Certificate to the effect that there has been no diversion of resources from one district to another will have to be submitted.

(xii) Any other condition imposed from time to time will also have to be complied with.

(c) In case of districts/UTs such as Kinnaur, Lahaul and Spiti, Leh, Kargil, Andaman and Nicobar Islands and Lakshadweep and any other areas as decided, which have a limited working season, the entire Central assistance may be released in one installment. The State shall also release its share in one installment. In the case of these districts, to which funds are released in one installment, funds will be released on fulfillment of the conditions laid down .

26. Release of State share to DRDAs

The State Government shall release its share to the DRDAs within one month after the release of Central assistance and copy of the same should be endorsed to Ministry of Rural Areas & Employment

27. Separate Bank Account for Indira Awaas Yojana

The IAY funds (Central share as well as State share) shall be kept in a nationalised/scheduled or cooperative bank or a Post Office in an exclusive and separate savings bank account by the DRDAs.

28. Utilisation of Interest Earned on Deposits

The interest amount accrued on the deposits of the IAY funds shall be treated as part of the IAY resources.

29. Drawal of funds by the DRDAs

Drawal of funds from the accounts shall only be made for incurring expenditure under IAY.

30. Payment to beneficiaries

Payment should be made to the beneficiary on a staggered basis depending on the progress of the work. The entire money should not be paid to the beneficiary in lump-sum. Installments of payments can be laid down by the State Government or at the district level to be linked to the progress of work.

PROFORMA III

**CREDIT-CUM-SUBSIDY SCHEME FOR RURAL HOUSING
PROFORMA FOR RELEASE OF SECOND INSTALLMENT**

1. YEAR : _____

2. Name of Implementing Agency

3. Address : _____

a) Tele. No : _____

b) Fax No (if any) : _____

c) E-Mail address (if any : _____

4. **Financial Details for the Current Year.** (Amount Rs. In lakhs)

A. Central Allocation for the Current Year: _____

B. Opening Balance as on 1st April during the current year : _____

C. Central Release during the current year : _____

D. State Release during the current year : _____

E. TOTAL AVAILABILITY (B+C+D) : _____

F. Expenditure during current year (As on _____) :

G. Percentage of expenditure to total availability during the current year (F/E) x 100 :

4. Utilisation Certificate for the previous year is enclosed in the prescribed proforma (Form 16 GFR - 19.A).

5. Audit report of the previous year _____with the relevant certificates duly recorded by the Auditor is enclosed.

6. It is certified that

(i) no major irregularities such as embezzlement, diversion of funds etc. have been noticed in the audit report for the previous year in respect of the implementing Agency under Credit-Cum-subsidy Scheme.

(ii). necessary action has already been initiated to rectify the defects pointed out in the Audit Report for the previous year and earlier years and compliance would be sent/has been sent to the Ministry shortly;

(iii). all the funds under the scheme Credit-cum-Subsidy Scheme for Rural Housing have been kept in the Savings Bank Account. No fund has been withdrawn from Savings Bank Account and deposited in the Treasury even temporarily;

(v). all conditions laid down in the Credit-cum-Subsidy Scheme guideline are being fulfilled while implementing the scheme.

Signature_____

Implementing Agency

Date:_____

PROFORMA. IV

FORM GFR 19-A

UTILISATION CERTIFICATE FOR THE YEAR UNDER

a) Unspent Balance from Previous Year : Rs._____lakhs Certified that a sum of Rs._____lakhs

b) Grants received during the year : Rs._____lakhs was received by Implementing Agency as subsidy under the Credit-cum-Subsidy Scheme for Rural Housing.

Letter No./Date Central Govt. State Govt. TOTAL as per details given in the margin both from the Centre and the State amounting to Rs.____lakhs. Further a sum of Rs._____lakhs being the unspent balance of the previous year _____ was allowed to be brought forward for utilisation during the current year _____. The misc. receipts of the Agency during the year was Rs.____ lakhs.

c) Misc. receipts of the Agency :

d) Interest receipts :

TOTAL FUNDS AVAILABLE (a+b+c+d): It is also certified that out of the above mentioned total funds of Rs._____ lakhs available with Implementing Agency, a sum of Rs._____ lakhs has been utilised by Implementing Agency during the year _____ for the purpose for which it was_____

sanctioned. It is further certified that the unspent balance of Rs._____ lakhs remaining at the end of the financial year would be/was utilised for the programme next year.

2. Certified that I have satisfied myself that the conditions on which subsidy under Credit-cum-Subsidy Scheme for Rural Housing was sanctioned have been duly fulfilled/ are being fulfilled and that I have exercised the following checks to see that the money has been actually utilised for the purpose for which it was sanctioned:-

- 1.
- 2.
- 3.

Sd/-

Implementing Agency

Date: